

**BILL #** HB 2100

**TITLE:** personalized veteran special license plates

**SPONSOR:** McClure

**STATUS:** As Introduced

**REQUESTED BY:** House

**PREPARED BY:** Bob Hull

## **FISCAL ANALYSIS**

### **Description**

The bill would reduce the annual renewal fee for personalized veteran special license plates from \$50 to \$25, which would be deposited \$8 to the State Highway Fund and \$17 to the Veterans' Donations Fund.

### **Estimated Impact**

The bill would decrease State Highway Fund annual revenue by \$(17,100) beginning in FY 2007, for a \$(25) reduction in the annual renewal fee of 1,351 personalized veteran plates. The bill also has the potential to slightly reduce the funding for non-veteran special plates and to increase funding to the Veterans' Donations Fund in future years, if veterans with personalized non-veteran special plates decide to switch to a personalized veteran special plate.

The Arizona Department of Transportation (ADOT) estimates expenditures of \$26,400 from the State Highway Fund for implementation costs, including \$25,000 for programming and \$1,400 for forms.

### **Analysis**

The current annual renewal fees for personalized veteran plates total \$50, including \$25 for veteran special plates and \$25 to HURF for the personalized plate fee. The \$25 for veteran plates is split \$8 to the State Highway Fund for administration costs and \$17 to the Veterans' Donations Fund. The bill would allow annual renewal of personalized veteran plates for \$25, thereby eliminating the \$25 personalized plate fee to HURF. ADOT reports that there were 1,351 personalized veteran plates as of December 31, 2005, which is an 84% increase from the 734 reported as of December 31, 2003. The bill would decrease annual State Highway Fund revenue by \$(17,100) beginning in FY 2007, including decreases of \$(14,500) for statewide highway construction and \$(2,600) for controlled access freeways in Maricopa and Pima counties.

It is possible that under the bill an unknown number of the 22,662 veterans who currently have non-personalized veteran special plates may opt for personalized veteran plates at some future time. Although the original fee for personalized veteran plates would be \$50, the annual renewal fee would be \$25 for either the veteran plate or the personalized veteran plate. It is also possible that some personalized non-veteran special plate owners who are also veterans may opt to switch to a personalized veteran plate, since the annual renewal fee would be \$25 for the personalized veteran plate as opposed to \$50 for a personalized non-veteran special plate. In this case, both the State Highway Fund and the recipients of the non-veteran special plate proceeds would lose funding, while the Veterans' Donations Fund would gain funding.

The bill would have a general effective date.

### **Local Government Impact**

Local governments would have an annual decrease of \$(16,700) in their HURF distributions beginning in FY 2007, including decreases of \$(10,300) to cities and \$(6,400) to counties. In addition, State Highway Fund monies for urban controlled access freeways would decrease by \$(2,600) as described above. Monies for urban controlled access freeways are divided 75% for Maricopa County and 25% for Pima County. Pima County may also use some of their monies for arterial streets and highways.